

United States Food Administration

Washington, D. C.

November, 1918



FOOD CONSERVATION FOR WORLD RELIEF

Address by Herbert Hoover, before Conference of
Federal Food Administrators, Washington,
November 12, 1918

The New World Food Situation

We have now to consider a new world situation in food. We have to frankly survey Europe—a Europe of which a large part is either in ruins or in social conflagration; a Europe with degenerated soils and depleted herds; a Europe with the whole of its population on rations or varying degrees of privation, and large numbers who have been under the German heel actually starving. The group of gamblers in human life who have done this thing are now in cowardly flight, leaving anarchy and famine to millions of helpless people. We have also to survey the situation in the exporting nations of the world, to see what can be done to redeem this mass of humanity back to health and to social order.

Up to the collapse of the Germans the world that is allied against Germany has depended upon the North American continent for the margins of food that maintain their strength against the common enemy. The loss of shipping and the increased demands for transportation of our ever-growing army had isolated the stores of food in the Southern Hemisphere and the Far East. Within thirty or sixty days the world should begin to release the cargo ships from military duty and to send them further afield for food, and before the next harvest arrives the entire world's food supply should be accessible. On the other hand, the cessation of hostilities will create an enormously increased demand for food, and we must be deeply concerned that the starving millions who have been liberated from the German yoke shall have such supplies as will enable them to return to health and prosperity. The war has been brought to an end in no small measure by starvation itself, and it cannot be our business to maintain starvation after peace.

All these considerations must change our domestic food policies, and this opens to us as a nation an obligation and an opportunity of service.

BROAD FOOD SURVEY.

We must now take an account of the whole food resources of the world and we must take an account of the total demands. We must consider carefully how this situation reacts upon our people. We must consider our national duty in the matter and we must make such changes in our policies as are fitting to the new situation. We have thus a new orientation of the whole food problem, and it is an orientation that affects every one of the great groups of commodities in a different manner.

It has been part of the duty of the Food Administration to keep informed as to the situation in world supplies. I will not trouble you with the details, country by country, nor commodity by commodity. The matter of prime interest to us is how much of each commodity the exporting countries can furnish between now and next harvest and how much is necessary to the importing countries in which we have a vital interest, in order to maintain health and public order in the world.

WORLD'S BALANCE SHEET.

We have computed the export countries' supplies on the basis of the avoidance of waste, and we have assumed for the importing countries stringent war consumptions, with additions such as we consider will

preserve health and order. In these circumstances we make the world's balance sheet in the different great groups of commodities approximately as follows until next harvest:

Wheat and Rye—Sufficient supplies with economy in consumption.

High Protein Foods (for dairy animals)—A shortage of about 3,000,000 tons.

Other Foods—Sufficient supplies with economy in consumption.

Beans, Peas and Rice—Sufficient supplies with economy in consumption.

Pork Products, Dairy Products, Vegetable Oils—A shortage of about 3,000,000,000 pounds.

Beef—Sufficient supplies to load all refrigerating ships' capacity.

Sugar—Sufficient supplies for our normal consumption if other nations retain their present short rations.—A shortage if they increase their rations.

Coffee—A surplus.

Of all these foods, except possibly protein feeds, we have a sufficiency for our own people, and in many of them large surpluses. Of the world total to produce the above results, we are estimating North America will furnish rather more than 60 per cent and that the United States, including the West Indies, will be in position to furnish a total of about 20,000,000 tons of food of all kinds for export, against our pre-European war exports of, say, 6,000,000 tons.

Calculations of this order are vitally necessary if we are to intelligently guide the policies in the United States. On the other hand, all such calculations are based upon assumptions as to transportation, production and consumption which may be subject to great disturbance and distortion during the reconstruction period. For the present we can accept and rightly guide ourselves by these conclusions, and we may examine in more detail the position of each group.

BREADSTUFFS AND FEED.

In the matter of wheat and rye, the large supplies that have accumulated in the Argentine, Australia and other inaccessible markets appear to us to supplement the stores of clear wheat bread for the world. It will, however, require a continued high percentage of milling with continuous economy in consumption and the elimination of waste. Here directly arises a change in our policies, for we are able from now on to abandon the use of substitutes in our wheat loaf. The world's supply of wheat at this juncture is a priceless blessing. For, while bread comprises but 25 per cent of our national diet, the food of Europe is from 50 per cent to 60 per cent sheer bread. The large harvest that we have here this year is to a large degree the result of the guaranteed price, and we may rightly be proud that our production and conservation policies have provided the necessary margins to the world of its daily bread.

We can export, together with other surplus countries, an apparent sufficiency of the coarse grains for feeding purposes, that is, of oats, barley and corn. On the other hand, there is a world shortage of high protein feeds, that is, the wheat feeds, the seed and bean meals, upon which the dairy production of the world, and particularly of Europe, so considerably depend. This shortage extends to the United States and, in our case, is due largely to the necessary diversion of cottonseed meal to use as fertilizers and, to some degree, to our shortage in wheat millfeeds, due to our hitherto reduced use of wheat flour. This latter will be somewhat corrected by the elimination of substitutes in our bread. Thus the change in world conditions should somewhat ameliorate our dairy feed situation.

FATS THE CHIEF SHORTAGE.

The shortage in protein feeds directly contributes to the world's shortage in the supply of fats. If we examine the position of the dairy products, the pork products and the vegetable oils, we find that in every item there is a shortage in the needed supplies for the whole world, although we are estimating with economy the export possibilities of the United States in all these products at over four billion pounds, of which from three to three and one-half billion comprise pork products. This world fat shortage is due primarily to the fact that Europe has been steadily underfeeding its dairy herd, has made steady inroads into its herd of hogs during the war, and to the fact that there has been a great degeneration in the production of vegetable oils in certain regions, owing to the inability to secure shipping.

Of our export possibilities in fats, the largest item is pork products. Here again we have a right to congratulate ourselves as to the policies pursued in the administration of food supplies in the United States by the Department of Agriculture and the Food Administration. If you consider that we have reasonable promise of ability through increased production and conservation to export seven times as much products as our pre-war average and if you consider the vital importance of this extra contribution in fats in this new war against famine, we are justified today in our every act in the stimulation of production of this commodity. While we cannot supply the world's full deficiency we have ameliorated it enormously.

FOOD FORECASTS SUSTAINED.

As you will recollect, eighteen months ago, when we had to define our food policies, we stated that the only hope of a sufficient production of fats and meat for the world, either in peace or war, lay in the stimulation of production of the American hog. In that direction we could obtain results in twelve months, whereas, in any other direction, years would be required for expansion of fat production. The American farmer has responded to a remarkable degree. In order to assure this change in agricultural courses we promised the farmer a fair return on his hogs, so far as our control of export orders gave us the power. It is our duty to make this undertaking good.

Yet, with all our supplies, the world will be far deficient in its normal supply of fats for two or three years at least. Our internal policy with regard to this group of commodities must therefore be one toward intensest economy in consumption, if we are to carry out our high purpose of furnishing food to a famine-stricken world.

GOVERNING SHIPPING CONDITIONS.

Policies of conservation require great care and guidance. For instance, for the next 30 or 60 days there is barely enough shipping at our shores to take care of our current production of pork products, and our storage is deficient. Later on, when ships are available, we will need call upon our people for great sacrifice. On the other hand, the shortage in our supply of dairy products is today so acute that we are compelled to now limit the export of this product. Dairy products are vital to the protection of child life throughout the world that we should immediately reduce our unnecessarily large consumption of butter and condensed milk.

In the matter of beef, the world's supplies are limited to the capacity of the available refrigerating ships. The supplies of beef in Australia, the Argentine and the United States are sufficient to load these ships. There will be a shortage in the importing countries, but we cannot hope to expand exports materially for the next months, in view of the bottle-neck in transportation.

SUGAR SUBJECT TO REVISION.

It is very difficult to forecast with any degree of accuracy the position in sugar. At the present moment all Europe and North America are living on much restricted allowance. Our assured supplies under the purchases we have made are the largest per capita in the world. This is not greediness, for we have throughout the war asked our allies to supply themselves first, and we would do with the remainder. They have sacrificed sugar to provide ships for other purposes. If we assume that Europe will continue on present rations, then the world supplies, now enlarged by rendering Java sugar available, are sufficient to provide our entire normal consumption. If Europe raises its ration very considerably, there will be a shortage.

The Food Administration has protected the fundamental supply to the American people by purchasing, in conjunction with the Allies, the next Cuban sugar crop. We have made such arrangements with the various refiners and producers in the United States and with the producers as will assure a price of 9 cents a pound wholesale, for sugar during the next twelve months. This price compares with from 12 to 20 cents a pound in the other sugar importing countries.

As the result of these arrangements and the fact that eastern sugars will be available, we will need little or perhaps no restraint on consumption after the new Cuban crop is available, unless, as I have said, the other governments in the world decide to considerably increase their present rations. I do not think our people would want us to maintain an extravagant and luxurious use of sugar in soft drinks and confectionery when there was an actual hardship for the necessary sugar for household use in other countries. With the present world outlook, we are taking steps to relax the restrictions which it was necessary for us to impose on consumption when we based the outlook for the whole of Allied supplies directly on North American sugar alone. Here again we must be guided from time to time by the world situation, but we have no desire for conservation sheerly for conservation's sake.

COFFEE WITHOUT RESTRICTION.

Another prime necessity in the United States is that of coffee. Our computation of the world's coffee supplies indicate to us that there is more than a sufficiency to carry the world during the next twelve months on any basis of likely demand, and sooner or later the speculation which has been in process in some foreign countries over coffee, on the theory that there would be a world shortage on peace, will, in our view, receive a rude shock.

PROGRAM FOR NEAR FUTURE.

This being the new world situation in food, created by the collapse of the war, the prime changes in our policies on today's outlook can be summarized:

That we may now advantageously abandon the use of substitutes in our wheat bread; that we will still require economy and elimination of waste in its consumption; that for the present we need conservation in butter and condensed milk; that ultimately we must extend this to all the fats. We can contemplate, at the most, maintaining fully three pounds per month of sugar per person of household sugar on the present outlook, and we can by the availability of Java sugars to Europe begin at once to relax more restraints on sugar pending some change in European policies.

These are special features of changes in policy, but the shifting of conservation from one commodity to another is not the whole policy. There is one policy which cannot change, and that is the vital neces-

sity to simple living, to economy in all consumption for commodities more or less substitute for each other. We must realize that the specter of famine abroad now haunts the abundance of our table at home.

There are conditions of famine in Europe that will be beyond our power to remedy. There are 40,000,000 people in North Russia to whom I fear but little access with food can be obtained this winter. Their transportation is demoralized in complete anarchy, and shortly many of their ports will be frozen, even if internal transport could be realized. I expect the most dreadful results of starvation beyond all human power to allay.

FOOD ADMINISTRATION HITHERTO.

I now come to the question of the future of the Food Administration as an administration. This administration was founded by the President to—

(a) Administer portions of the provisions of the Lever Act, and this has been accomplished, to a considerable degree, in co-operation with the many trades of the country.

(b) Control of foreign distribution of food.

(c) Enter into such voluntary arrangements with producers, manufacturers and others as would stabilize commerce, stimulate production and to carry out the Government assurances to these ends.

(d) Co-operate with the Department of Agriculture in food productive policies to world purposes.

(e) Co-operate in the domestic and overseas transportation and distribution of foodstuffs with the Railway Administration and Shipping Board.

(f) To control and arrange for our necessary food imports.

(g) Co-ordinate all import and export and Army and Navy buying of food so as to prevent chaotic marketing conditions.

(h) Co-operate with the American people in conservation of consumption.

That portion of our work under the Lever Act revolves largely around the curtailment of speculation and profiteering. This act expires at the signing of peace with Germany, and as it represents a type of legislation only justified under war conditions, I do not expect to see its renewal. It has proved of vital importance under the economic currents and psychology of war. I do not consider it as of such usefulness in the economic currents and psychology of peace. Furthermore, it is my belief that the tendency of all such legislation except in war is to an over degree to strike at the roots of individual initiative. We have secured its execution during the war as to the willing co-operation of 95 per cent of the trades of the country, but under peace conditions it would degenerate into an harassing blue law.

The law has well justified itself under war conditions. The investigations of our economic division clearly demonstrate that during the first year of the Food Administration farm prices steadily increased by 15 per cent to 20 per cent on various computations, while wholesale prices decreased from 3 per cent to 10 per cent, according to the basis of calculation. Thus middle men's costs and profits were greatly reduced. This was due to the large suppression of profiteering and speculation and to the more orderly trade practices introduced under the law.

FOOD ADMINISTRATION HEREAFTER.

It is my desire that we should all recognize that we have passed a great milestone in the signing of the armistice; that we must get upon the path of peace; that therefore we should begin at once to relax the regulation and control measures of the Food Administration at every point where they do not open a possibility of profiteering and speculation. This we cannot and will not permit so far as our abilities extend until the last day that we have authority under the law. When we entered upon this work eighteen months ago our trades were rampant with speculation and profiteering. This grew mainly from the utterly insensate raids of Europe on our commodities. I look now for a turn of American food trades towards conservative and safe business because in this period that confronts us, with the decreased buying power of our own people, of uncertainty as to the progress of the world's politics, with the Government in control of imports and exports, he would be a foolish man indeed who today started a speculation in food. This is a complete reversal of the commercial atmosphere that existed when war began eighteen months ago, and therefore the major necessity for law in repression of speculative activities is to my mind rapidly passing. It is our duty, however, to exert ourselves in every direction to so handle our food during reconstruction as to protect our producers and our consumers and to assure our trades from chaos and panic.

SOME OUTSTANDING FUNCTIONS.

While the expiration of the Lever Law can be faced without anxiety, the other functions of Food Administration must continue. Some organization must be continued or some organization must be set up to guide our distribution of food abroad, if it shall reach the most deserving and the most necessitous. This implied a large knowledge of European and foreign conditions, and can only be founded on continued expansive organization. The vast purchases for export are now all in the hands of governments, many of them acting in common and their powers in buying could, if misused, ruin our producers, or, alternatively, do infinite harm to our consumers. An utter chaos of speculation and profiteering would reign if these buyers were not co-ordinated and controlled.

Someone must co-ordinate the internal transportation of these large exports with our domestic distribution if we are not to entangle our domestic supplies and are to have effective handling in our ports. Someone must co-operate with the Shipping Board in the provision of overseas tonnage. Someone must organize our own needed imports of sugar, coffee and vegetable oils. Someone must stimulate and guide our people in their desire to help in this war against famine. It is in these directions that the future of some kind of Food Administration lies. An organization is now called upon to fight against famine. Fortunately I believe this new war on privation finds its own peace at next harvest. What the constitution of this organization is to be must be developed with thought and care. In any event, the Government must have the continued service and help of you who are tried and experienced.

BELGIAN AND OTHER RELIEF.

When the Food Administration was founded I incorporated in its personnel a number of the men from the Belgian Relief Commission, of which I have been the chairman since its foundation in 1914. Aside from this duality of personnel the Food Administration has itself, through its departments, largely administered the relief at this end. This great work of mercy has gone on until this day, and during the

past week the President has requested me to expand the activities of the Relief Commission to cover the whole relations of the United States to the reconstruction of Belgium, pending reconstitution of normal commerce and the payments by the Germans in cash for the ill they have done.

I am desirous that in all these enlarged activities I should have the continued service and support of you gentlemen who have contributed so much to solve our war problems. There is no service to humanity that so touches the American heart as solicitude and help for these down-trodden people of Belgium. The details of this service must in the main await my arrival in Europe. In the meantime, the urgent questions of food and clothing are being attended to.

I am also leaving for Europe for a conference over another situation equally enlarged. From our findings there must arise details in organization to meet a much wider situation. There must be a feeding of the people who have been liberated from the German yoke. That feeding must be organized, and in order that we may get effective and prompt action from the United States the War Department has yesterday undertaken, at our suggestion, to largely divert their military tonnage to the transportation of food and the enlargement of the Quartermaster's stores in Europe that we may have them immediately available.

REPAIR SOCIAL WRECKAGE.

At this moment Germany has not alone sucked the food and animals from all those masses of people she has dominated and left them starving, but she has left behind her a total wreckage of social institutions, and this mass of people is now confronted with engulfment in absolute anarchy. If we value our own safety and the social organization of the world, if we value the preservation of civilization itself, we cannot sit idly by and see the growth of this cancer in the world's vitals. Famine is the mother of anarchy. From the inability of governments to secure food for their people grows revolution and chaos. From an ability to supply their people, grows stability of government and the defeat of anarchy. Did we put it on no higher plane than our interests in the protection of our institutions, we must bestir ourselves in solution of this problem. There are millions of people now liberated from the German yoke for whose interests we have fought and bled for the last eighteen months. We dare not neglect any measure which enables them to return to health, to self-support and to their national life.

This is the broad outlook of some kind of Food Administration during the next twelve months. As to what the detailed structure of our organization may be, to effect these ends, or even its actual name, that can be developed from time to time to suit necessity. It will be months until formal peace; in the meantime, the organization must remain intact if we are to serve the high purpose that I have outlined. And after that we can decide our courses upon the basis of our national duty.